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File No. 3 of 1892-93

Serial Nos. 1 —

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 —

M. **~~Part~~ B. for** ~~Feb~~ 1893.

SUBJECT.

Report of the Directors of the Maharaja's Alleppey Spinning and Manufacturing Company for 1892.

Table of Contents:

Bl. 1, No. - Dy 14th Feb. 1893, From the Agents, Maharaja's Alleppey Spinning & Manufacturing Co/

Encloses the Report of the Directors of the Maharajas Alleppey Spinning & Manufacturing Company for 1892

(General Serial No. 307)

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From The Agents,
Maharaja of Mysore Spinning
& Manufacturing Company
(Ld) Bangalore

To

Dated 17th February 1893

Despatched

Received

Enclosures No.

General No.

No.

Directors' Report
for 1892

S 162 for information
Mrs
of the Dewan. 27/2

Sd 28/2

7 Swapna Moodelliar
The Hand in the
file which is now with
the Dewan Sd 8/3

Gen. Fin
3 of 1892-3
S. No 1.

Dft 5278

Regr and return
Mrs
22/2

Manager.
Does the Govt of Mysore hold
any shares in this mill?
Mrs
Sd 0 23/2
Yes, the exact value there
can be ascertained by a
reference to the Comptr
Sd 24

2

For private circulation amongst Shareholders only and not for publication.

(107)

THE

Maharajah of Mysore Spinning & Manufacturing Company Limited.

DIRECTORS REPORT FOR 1892.

TO THE SHAREHOLDERS OF THE

Maharajah of Mysore Spinning and Manufacturing Co:, (Ld:)

GENTLEMEN,

Your Directors beg to submit their Report and the audited Accounts together with Statement of Profit and loss for the year ended 31st December 1892.

	Rs.	A.	P.
The loss in Revenue Working expenses, that is, in the manufacture and sale of yarn and cloth &c., for the 1st half year ended 30th June 1892, was	14,607	5	3
Against which we have made a Profit in the 2nd Half year, ended 31st December 1892, of.....	16,547	15	3
Showing a Profit for the year of.....	1,940	10	0

This speaks well in itself for the stability of the mill, considering the Famine we have had to contend with, together with other obstacles which we have had to surmount; all which prove very conclusively, that the Mill is on a fair way of doing well now; and *more* so, if cotton becomes cheaper when the new crop is harvested.

They also ask you to observe that during the whole year the market for yarn was very limited causing the Company to work four days per week for sometime as well as having to discontinue a proportion of the machinery.

This state of affairs was caused by a severe local famine compelling the Company to draw its Cotton from very long distances, viz, Bombay, Tinnevelly, Coimbatore and other places, thus increasing its price very considerably.

Yarn in Bangalore never touched such a low point before. And Cotton rose from Rs. 75 per candy of 415lbs. to Rs. 103,105 and now at Rs. 110. This will continue until the new crops come in about the end of March 1893, when it is expected Cotton may be cheaper if the new crops are good.

The Companys' Flour Mill in 1891 was rented for Rs. 650 per month. The rent in 1892 averaged Rs. 200 per month. This serious loss to the Company was due to the Famine of 1892. No local wheat was obtainable and wheat that was obtainable was at ruinous prices, thus disabling the contractor and making it impossible for him to pay the full rent or even work the Mill more than half time.

The sudden failure of the American cotton crop, coupled with a local cotton famine here, has made profits of any magnitude almost impossible. And had the greatest care not been exercised a very serious loss would have been the result.

In the Agents' Supplement to the Directors' Report of 1891 they said if the famine continued great suffering would ensue. As far as this Company is concerned January, February and March of this year 1893 are the most trying months for the want of local cotton caused by the failure of the crops of 1892.

It was pointed out in the Directors' Report for 1891, as well as the Agents' Supplement to the same, that the Government of the Mill was absolutely and totally destroyed by Clarke, the late Manager, by his neglect and misconduct. The production of Yarn having gone down in December 1891 to 2,500 lbs. per day and Cloth 300 lbs. per day. Any one who knows anything about Cotton Spinning, knows when the Machinery has been neglected, discipline and Government destroyed, how difficult it is to re-establish that high and delicate order which is required for Cotton Spinning. The production of Yarn has gradually and slowly risen daily from a very low ebb to nearly 5,000 lbs. per day. And Cloth has risen from 300 to 1,900 lbs. per day. But it has taken 12 months to accomplish this with the greatest care and anxiety on the part of the Agents. Mr. Scott himself has stuck to the Mill most industriously from December 1891 till now. But Shareholders must remember that the success of this or any other Cotton Spinning Company depends upon cheap cotton, as well as its credit. If the latter be destroyed by malicious publications, the consequences must be very injurious: for every Commercial institution, Banks, Mills or others, almost depend upon good credit. If that be taken away, very fatal results must follow. The Directors have been compelled to take action against a paper in Madras for a publication, which they considered very damaging to the Company's scrip and credit, and as there are a great many Shareholders in England, the Directors as Trustees for the Shareholders both in England and India, are bound to protect the interests of their property against slander.

When Clarke misconducted himself Mr. Scott, the Agent, was in England purchasing machinery for the Company as well as disposing of Debentures. Clarke in our opinion was detected as soon as he would have been even, if the Agents had been present. Machinery can be neglected and destroyed in a day, and a thief is never caught until he steals.

We beg to point out also how unfortunate we have been all along with our Managers even from the very starting of the Mill. However we will confine ourselves to the year 1892 and summarise the events.

Clarke misconducted himself and was compelled to vacate.

Another European succeeded beginning of 1892. The Company was compelled to dispense with his services after four months trial.

Again Mr. Needham, a Europeon from Bombay, was employed. He was a very practical Spinner, but was unfortunately seized in bed with heart disease and Paralysis on one side and therefore had to be sent to England at once, after only working for three weeks.

Mr. Rose, who had been Manager for the Gaekwar of Baroda Mill for seven years, was then engaged, and only worked 15 days, when he became indisposed, and died after 76 days suffering, with Abscess on the Liver.

Now we have Mr. Chadderton a good practical Mill man from Bombay who arrived here on the 2nd February and we hope he will keep his health.

All these incidents and calamities have happened within one year. A Mill without a good practical European at its head resembles a ship without a rudder. This is well known by all authorities on Cotton Spinning.

We have also had our Share of strikes and deep laid conspiracies with our Workmen. Quantities of our yarn have been cut to pieces. Our yarn on the Yarn Beams cut. Our Mill has been set on fire, but fortunately without much damage,—the fire being promptly extinguished. Our Exhaust Opener by Lord Brothers, a very costly Machine, was broken to atoms by the conspirators putting in large pieces of iron and stone amongst the wheels. The pieces of old iron and stones were found. Had it been the Sister Machine, the whole of the Mill would have been sotpped for three months, as all the machinery in the Mill depends upon this Machine.

If we don't get a conviction things will become worse. For a case of this kind as well as the cutting of our yarn demands a long term of imprisonment. We have Eight Witnesses who swore to the man who cut the yarn, and yet this was not considered sufficient evidence by the Judge. We appealed, and the High Court has ordered the Magistrate to retry the case on the merits of the evidence.

We are endeavouring to get a conviction but up to date we have not. Therefore English Shareholders and others will observe the trouble we have had in 1892.

The special attention of Original Shareholders is called to the fact that the Company has extended its property more than double the capacity it was when first started, which has all been paid from borrowed Capital. All working Capital has also been borrowed, coupling borrowed Capital for extension with working Capital, it amounts to about an average of Rs. 600,000, for which heavy Interest has always been duly and punctually paid, which, in itself, is equal to a Dividend of about 8 per cent per annum.

Therefore it will be seen that, if the shareholders had provided all the money required instead of borrowing it good Dividends would have been secured.

The agents also found it absolutely necessary in 1892 to add Rs. 19,350-6-6 extra preparatory machinery required for the more efficient working of the Ring Frames and Looms. This was a considerable sum to have to spend in such an unfortunate year. Note also the mules which were dismantled viz., item Rs. 17,856 has been all debited to this year's Capital account which ought instead to have been distributed over several years and not to this particular year but the Directors thought it better to write it off at once. The mules thus thrown out have been replaced by Ring Frames which give better results.

The Guaranteed Shareholders will, as in the previous years, be paid for this year their full Dividend of 12 per cent on their Shares.

Debentures.—Debentures were issued to the extent of Rs 1,88,000 which have been utilized to pay part of Government Loan, extension of Mill and Machinery, purchase of Casuarina Plantation, and reduction of Loan for Working Capital.

J. G. Scott.
B. Sreenivasiengar.
H. E. Stanbrough.
S. Biligiri Iyengar.

P. S.—Note all the plant was bought at an average exchange of 1/7 it is now 1/2¾ thus enhancing the present value of the whole of the plant by 22 o/o; or in other words, it would take 22 o/o more rupees to purchase the same plant in England to-day. This in itself meets all demands for depreciation, for the time the plant has been in use not to mention the fact that Machinery now is 20 o/o dearer than it was when the Company made the Contract.

J. G. Scott.
B. Sreenivasiengar.
H. E. Stanbrough.
S. Biligiri Iyengar.

18—2—93.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY (LIMITED).

Balance Sheet for the year ended 31st December 1892.

	CAPITAL AND LIABILITIES.		Rs.	A	P.	Rs.	A	P.		PROPERTY AND ASSETS.		Rs.	A	P.	Rs.	A	P.
I.	CAPTAL.	Capital of the Company—							III.	PROPERTY HELD BY THE COMPANY.	Land—Mill Premises	2,127	10	0			
		Divided into 4,500 Shares of Rs. 100 each	4,50,000	0	0						Land—Plantation	11,000	0	0			
		Less 70 Shares unallotted ...	7,000	0	0						Building	1,80,227	9	11			
						4,43,000	0	0			Building—Construction, &c., Preliminary expenses...	27,420	9	8			
											Machinery and Plant ...	5,89,630	11	8			
											Furniture	1,673	7	6			
															8,12, 080	0	11
II.	DEBTS AND LIABILITIES OF THE COMPANY.	*Mortgages.*									*Stock and Stock-in-Trade.*						
											Cotton on hand						
											Cotton in process	8,248	15	8			
		Mysore Government Loan ...	2,15,900	0	0						Yarn on hand	8,881	3	9			
		Mr. S. Venkataradiengar's do	98,189	6	6						Weaving in process	60,632	1	11			
		Messrs. J. Scott and Co., Manchester	50,000	0	0						Cloth on hand	10,250	13	9			
						3,64,089	5	6			Stores on hand	18,203	6	0			
											Waste on hand	19,218	12	3			
											Fuel on hand	1,402	1	11			
		Sundry Creditors including Deposits	.....			46,508	3	1			Tents in process (Tent account, Revenue)	3,675	6	0			
												37	11	6			
											Printing and Stationery on hand	422	8	9			
															1,30,473	11	1
	DEBENTURE ACCOUNT.	376 Debentures @ Rs. 500 each ..	.....			1,88,000	0	0	IV.	DEBTS DUE TO THE COMPANY:	District Agents and others ...	52,967	0	11			
											Unexpired Insurance	2,810	2	0			
															55,777	12	11
		Unpaid Dividends	.....			133	0	0	V.	CASH AND INVESTMENTS.	Cash in Office	31,081	8	7			
											Cash in Bank of Madras, Bangalore	21	7	0			
VI.	RESERVE FUND.	Amount reserved from Profits of 1888	.....			2,681	0	0			Cash in Bank of Madras, Madras	821	15	8			
											Cash in Agra Bank, Bombay .	474	13	8			
															32,595	12	11
									VII	PROFIT AND LOSS ACCOUNT:	Loss for the Half-year ending 30th June 1892 (including Rs. 7960-12-9 Loss in 1891, Rs. 4464 Half value of dismantled Mule Frames, and Rs. 3000 depreciation of Machinery)	30,032	2	0			
											Less Profits for the Half-year, ending 31st December 1892.	16,547	15	3			
															13,484	2	9
		Total Rs...	.....			10,44,411	8	7			Total Rupees...	.....			10,44,411	8	7

Profit and Loss Account.

	Rs.	A	P.	Rs.	A	P.		Rs.	A	P.	Rs.	A	P.
To Balance from 1891	7,960	12	9				By Profits as per Revenue Sheet for 2nd Half-Year, 31st December 1892	16,547	15	3			
„ Depreciation of Machinery	3,000	0	0										
„ Loss incurred by dismantling 8 old Mule Frames, 5952 Spindles @ Rs. 1-8	8,928	0	0				„ Stores (Half of value dismantled Mules parts being used for replacing breakages	4,464	0	0			
Loss as per Revenue Sheet for 1st Half-Year	14,607	5	3				„ By Loss to 31st December 1892	13,484	2	9			
				34,496	2	0					34,496	2	0
Total Rupees...	.....			34,496	2	0	Total Rs...	.....			34,496	2	0

We have examined the above Balance Sheet and annexed Statements of Revenue and Profit and Loss Accounts and compared the same with the Books and Vouchers of the Company. Stock of cotton, yarn, fuel and stores and Cash Balances for the year ended 31st December 1892, and certify that, to the best of our belief, they are correct and in conformity with the requirements of the Company's Act X of 1866.

THE MAHARAJAH MILLS COMPANY,
Bangalore, 10th February 1893.

J. R. BARROW,
B. GOPALIENGAR, } *Auditors.*

R. CHARLESWORTH,
Accountant.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY (LIMITED.)

Abstract of Revenue Account for the year 1892.

ITEMS.	1st Half Year.			2nd Half Year.			Total.		
	Rs.	A	P.	Rs.	A	P.	Rs.	A	P.
To Cotton 15,44,661 lbs.	1,41,043	1	9	1,67,958	13	4	3,09,001	15	1
„ Yarn delivered to Weaving 3,29,349 lbs. ..	37,808	16	2	68,521	8	11	1,06,329	15	1
„ Fuel	11,792	12	0	14,031	12	0	25,824	8	0
„ Stores	12,056	0	9	15,592	7	4	27,648	8	1
„ Tent Account Revenue	2,577	12	11	3,826	15	0	6,404	11	11
„ Salaries and Wages	27,855	1	4	32,595	8	11	60,450	10	3
„ Interest	20,098	11	6	19,842	15	11	39,941	11	5
„ Agent's Commission	11,239	0	0	10,912	5	6	22,151	5	6
„ District Agent's Commission	1,396	8	7	1,686	6	9	3,082	8	4
„ Insurance	3,571	6	3	2,843	0	8	6414	6	11
„ Auditor's Fees	180	0	0	150	0	0	330	0	0
„ Directors' Fees	200	0	0	70	0	0	270	0	0
„ Printing Advertisements and Stationery ...	400	0	0	400	0	0	800	0	0
„ Postages and Telegrams	315	1	0	185	11	3	500	12	3
„ Rent Account	406	1	1	468	14	10	874	15	11
„ Law Charges	268	0	0	60	0	0	328	0	0
„ Repairs to Buildings	39	10	5	55	8	8	95	3	1
„ Contingencies	1,837	14	7	1,432	5	5	3,270	4	0
Rs...	2,73,085	1	4	3,40,634	6	6	6,13,719	7	10
To Profits...	.....	...	...	16,547	15	3	1,940	10	0
Total Rs...	2,73,085	1	4	3,57,182	5	9	6,15,660	1	10

ITEMS.	1st Half Year.			2nd Half Year.			Total.		
	Rs.	A	P.	Rs.	A	P.	Rs.	A	P.
By Sale of Yarn	2,00,156	2	10	2,46,592	7	7	4,46,748	10	5
„ Sale of Cloth	51,354	3	3	97,790	11	7	1,49,094	14	10
„ Sale of Waste	2504	0	3	3,746	7	10	6,250	8	1
„ Sale of Tents	3,117	3	1	7,741	0	0	10,858	3	1
„ Sundry Earning	649	13	0	839	4	9	1,489	1	9
„ Transfer Fees	7	0	0	7	6	0	14	6	0
„ Flour Mill Revenue	739	5	8	465	0	0	1,204	5	8
Rs...	2,58,477	12	1	3,57,182	5	9	6,15,660	1	10
By Loss...	14,607	5	3	...	...	...	...	...	...
Total Rs...	2,73,085	1	4	3,57,182	5	9	6,15,660	1	10

EXTRACTS FROM THE ADDRESS

OF THE

DEWAN OF MYSORE.

TO THE

Representative Assembly held at Mysore

On Tuesday, the 14th October 1892.

For the information of English Shareholders :—

The Dewan of Mysore is Prime Minister for the State. Extracts from his speech when reviewing the Budget for the year 1892 in which he relates to the Famine.

Distress of last year.—Before I proceed to take up the various Departments of the state, you will naturally expect me to say a few words regarding the severe drought through which the whole of the Province, with the small exception of our Malnad Talnks, has recently passed. In the Maidan parts of the Mysore and Hassan Districts the South-West Monsoon was so scanty and precarious that the early dry crops were completely lost except in a few scattered favorable situations. The Northern and Eastern Districts did not get any of the early rains and had in consequence to defer the preparation of land for cultivation much beyond the usual season. A few showers which came later on permitted of the sowing of nearly the usual extent of land with the ordinary dry crops in most Taluks. These soon began to fade from insufficient moisture. The rain which fell towards the end of September raised hopes of a favourable change in the season. But by November it was evident that the North-east Monsoon too had failed and that the general out-turn of dry crops would not be much above a 4 anna average in most taluks. The tanks had received no water and wet cultivation under them could not be attempted. The failure of fodder was wide spread. And altogether there was every indication of an impending distress of a very aggravated type, and towards the end of November the price of food grains began to rise rapidly owing both to the local failure of crops and to large exports to neighbouring Madras Districts.

Dewan's tour through the affected tracts.—In the beginning of December, by command of His Highness the Maharajah, I started on a tour through the worst Taluks of the Districts of Mysore, Tumkur, Chitaldroog, Kolar and Bangalore. My immediate object was not only to ascertain by personal observation the actual condition of the country and the requirements of the people, but also to organize the relief measures required for the different tracts, and chiefly to inspire the people with confidence alike in the famine policy of the Government and in the method proposed for carrying it out.

Supply of food grains in local markets.—One of the first things to attract my attention was the insufficient supply of food grains at the various local markets. It was evident that owners were holding back their stocks partly in expectation of a further rise in price and partly from fear of thefts and robberies, so fruitful a source of waste and loss during the previous famine. I accordingly lost no time in arranging for due police protection of grain in transit and at places of storage and for their safe and ready consignment by the Railway. Local merchants were duly apprized of the preparedness of the Government to meet any local insufficiency by import of grain from outside the Province, while at the same time the prices of food grains obtaining at the several weekly sante's or markets in the interior were ascertained and regularly published as a stimulus to local trade. These measures tended to make prices more uniform and steady throughout the Province and there was heard afterwards no complaint of insufficient supply at any local market.

Failure of Fodder.—To meet the serious want of fodder which was apprehended, all state forests and plantations as well as a large number of Amrut Mahal Kavals were thrown open for the free use of the raiyat's cattle without any restriction as to the Taluks or Districts from which they might come. The total area of grazing land thus made available to the public was 1,600 square miles and it is reported to have been used for grazing nearly 5,19,000 head of cattle. Raiyats were also further permitted to cut and remove tender date-leaves for use as fodder, a privilege which was eargerly availed of in most Taluks of Tumkur and Chitaldroog.

Policy regarding to granting relief.—In devising our scheme of relief works, my chief aim was to afford the poorer agriculturists, the landless field laborers, the Holiyars, the Madigars, &c. the means of earning a sufficient livelihood near their own homes. It was believed they and their families could live upon comparatively small wages if these could be earned near their own Villages, for in such a case they would be able to return to their homes at the end of each day's work, take care of the infirm and young dependant upon them, look after their cattle and other property and receive from their neighbours any additional help they might require.

Relief to Special Classes.—Weavers.—Besides placing the means of earning wages within the ready reach of the general population, we adopted several measures for the relief of special classes. The most important among them were the weavers, the demand for whose manufactures had all but disappeared owing to the high prices of grain which prevailed. After much consideration of alternative measures, the Government eventually adopted the system of purchase proposed by Mr. Madhava Row for the Bangalore District. Under this system, the Government made advances of money to local Sahukars of standing for purchasing on behalf of Government the entire produce of the Looms at the market value, to be resold when the demand become re-established. The Sahukars were paid a small commission and in return they guaranteed the full recoupment of the advances made. This system was the means of affording efficient relief to the industrious weaving class, always the first to suffer on every occasion of widespread scarcity and high prices. It was in operation at Bangalore, Doddaballapur, Anekal, Kolar, Melkote, Molkalmuru and other weaving centres. The advances made amounted to Rs. 85,300 including Commission and other charges. A sum of Rs. 34,580 has already been recovered by the resale of cloths purchased and the Balance is under process of realization. The final net expenditure is expected to be trifling compared with the large numbers relieved. In the Bangalore City alone the relief thus given extended to 4,000 looms with 10,000 Weavers.

Maharajah of Mysore Spinning and Manufacturing Co, (Ld) Bangalore..

Notice is hereby given that the Eighth Annual General Meeting of Shareholders will be held at the Registered Office of the Company, at the Mill, on Saturday the 25th February 1893 at 2 p. m., for the purpose of passing :

I. Directors' Report and Balance Sheet and Accounts for 1892.

II. To elect Directors for the current year in place of those retiring by rotation.

III. To elect Auditors and fix their remuneration.

By Order,

JAMES SCOTT & CO.,
Secretaries, Treasurers and Agents.

BANGALORE, *17th February 1893.*

N. B.—The Transfer Books of the Company are closed from 20th January to 25th February 1893.

DAILY POST AND EXAMINER PRESS,—BANGALORE.

BANGALORE
CANCE